would therefore have to have each customer's loop terminations moved from the assembly room/point to the collocated space.

Parties note that the assembly room/point cannot meet reasonably foreseeable volumes of competitive LEC orders for such arrangements statewide because the initial construction is so time-consuming. Once an assembly room or point is constructed, it would likely be sufficient to handle foreseeable volumes of transactions within that office as customer conversions would be accomplished using the standard hot cut practice.[1]

3. Discussion

Overall, the assembly room/point concept is a creative, viable, economic way for competitive LECs to combine loops and ports in several central offices in the state. Because of the absence of any electronics in the assembly room/point,[2] this method probably has the least potential to adversely affect Bell Atlantic-New York's network of any of the collocation options. Because of the time delay associated with the installation of new assembly rooms or points, however, this would not be a feasible statewide entry strategy for even one competitive LEC. In fact, if competitive LECs were to attempt to use this method on a broad scale, Bell Atlantic-New York would be hampered in its ability to deliver traditional collocation arrangements to facilities-based competitive LECs. This possibility could delay provisioning to competitive LECs with facilities in place. Moreover, this offering is limited only to voice grade loop and port combinations.

4. Proposed Finding

Assembly room and assembly point are innovative and useful offerings for lower-cost collocation; several competitors indicate a strong interest in using them. However, their limited

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[1] Tr. 587-590.

[2] Tr. 576.

applicability and substantial provisioning intervals do not make them effective for statewide mass market entry.

Option VI -- Recent Change Capability (AT&T)

Recent change capability refers to software-based tools, comparable to those that allow a LEC to update and assign features and functions of its local switch. According to AT&T, the recent change capability is now used by incumbent LECs to disconnect a loop from the switch, that is, to sever service to a customer.[1] Recent change is also comparable to the services afforded a Centrex customer to sever, modify, add functions, or transfer service to an identified family of loops. AT&T's proposal is that Bell Atlantic-New York develop or purchase software to allow competitive LECs to employ recent change technology to combine existing loops and ports on the same basis that Bell Atlantic-New York now does. It is uncontested that recent change is only feasible for already existing loops, and for combination of loops and ports, not any other unbundled network elements.

1. The Sponsors' Evaluation

AT&T concedes that this option is not readily demonstrable, although it suggests that Bell Atlantic-New York Centrex customers employ this technology to add or sever lines, add services, or transfer numbers.[2] As to recent change's ability to handle volume, AT&T asserts this method would be able to handle volumes in a manner and on a scale comparable to how presubscribed long distance carrier changes--millions of transactions yearly--are now effected.[3] According to AT&T, the operation of recent change would be extremely cost effective, once developed, since it is an electronic rather than a manual

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[1] Falcone Affidavit, June 16, 1998, ¶¶105 *et seq.*

[2] Tr. 672.

[3] Tr. 678.

method of recombining elements.[1] Co-sponsor CompTel views recent change as the only nondiscriminatory method offered, and one which provides new entrants access to their customers with minimal interference from the incumbent.[2] In addition, CompTel asserts the recent change alternative is the only one compatible with IDLC.

AT&T asserts this method, because it minimizes manual loop manipulation, will minimize adverse impacts on end users.[3] As to protecting network security, the firewall proposed by AT&T is intended to protect the incumbent LEC by restricting competitor access to its customers and links.[4] AT&T describes its firewall security as standard: transactions are controlled based on the rights and privileges of the user logged into the firewall.

As to the ease of customer migration to facilities-based service, recent change is put forward as a critical bridge to reach a mass market, providing immediate, ubiquitous access to central offices that otherwise might not be economic for collocation.[5] Migration to another competitor or to the incumbent would be as simple as changing long distance providers as long as the other competitive LEC also has recent change access. Similarly, it would be simple to migrate back to the incumbent LEC.[6]

In a post-technical conference supplemental filing, CommTech, the vendor/developer of the software proposed by AT&T to implement recent change, explains that this new software would consist of a modification of its FastFlow system currently

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[1] Tr. 678-679.

[2] CompTel's Comments, pp. 20, 22.

[3] Tr. 680.

[4] Tr. 681-682.

[5] Tr. 683-684.

[6] Tr. 684-686.

employed by LECs to allow Centrex customers to access the recent change process in the LEC switch. Providing some detail as to the development process, CommTech explains that FastFlow manages provision of network elements, is compatible with legacy operation support systems, beginning provisioning with a service representative answering the initial customer call to the time the request is provisioned in the switch and updating necessary legacy systems.[1]

2. Other Parties' Evaluations

Bell Atlantic-New York acknowledges the capability of Centrex customers to make limited changes to the switch, using Macstar.[2] However, it estimates the development time required for this to be implemented on the scale contemplated here as "a number of years".[3] As to cost, Bell Atlantic-New York asserts that the front-end development costs for the firewall, as well as the CLEC interface, render recent change prohibitive.[4] Bell Atlantic-New York suggests that its legacy systems are complex, and difficult to modify,[5] listing the systems a firewall system would need to reference in order to effect the changes required to move a customer from the incumbent to a competitor, or between competitors. According to Bell Atlantic-New York, millions of lines of code would have to be written to realize the system modifications required for recent change.

In response to AT&T's supplemental filing concerning its recent change proposal, Bell Atlantic-New York asserts that recent change is inadequately documented, a far more ambitious and burdensome undertaking than AT&T indicates, and susceptible

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[1] CommTech Affidavit, ¶3.

[2] Tr. 747-748.

[3] Tr. 755.

[4] Bell Atlantic-New York's Summary Presentation, p. 13, n. 25.

[5] Albert Affidavit, July 10, 1998.

to unacceptable service outages. Considering the modifications to its own current "suspend and restore" protocol, Bell Atlantic-New York asserts neither the Bell Atlantic-New York nor the competitive LEC modifications to existing ordering, provisioning, or billing systems is addressed, notwithstanding requests for specifics concerning system requirements and implementation schedules and costs. Bell Atlantic-New York notes that the AT&T filing concedes that the existing Macstar system cannot be modified for this purpose, and that adaptation of FastFlow will require redefining system requirements, development of software enhancements, testing, and programming.

Bell Atlantic-New York also stresses AT&T's admission that this approach imposes a risk of significant customer outages, with some customer outages inevitable due to problems between the processing of suspend and restore messages.[1] Bell Atlantic-New York rejects AT&T's suggestion that end user suspends and restores should be performed between midnight and 5 A.M., as conflicting with ongoing switch maintenance. Finally, Bell Atlantic-New York notes that FastFlow does not operate with one of its switch models, the DMS-10. Because Bell Atlantic-New York's ordering, provisioning and switching systems are not capable of activating dial tone on demand in real time, disruptions would be inevitable without substantial software modifications to existing legacy system, requiring millions of lines of code.

Finally, Bell Atlantic-New York asserts that, inasmuch as the recent change proposal will, according to the vendor, work best if operated by Bell Atlantic-New York itself through its provisioning system, the proposal is little more than a loop and port combination provided by Bell Atlantic-New York.[2]

Time Warner considers recent change violative of parity between facilities-based competitors, such as itself, and those

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[1] Albert Affidavit, ¶9, quoting AT&T's Comments, p. 67.

[2] Albert Affidavit, ¶18, citing CommTech Affidavit, ¶8.

employing Bell Atlantic-New York's loops and ports.[1] Intermedia views recent change as an unacceptable expansion of the Pre-filing provisions.[2]

3. Discussion

While AT&T failed to present a convincingly detailed case for recent change, its fundamental assertion is well founded: an electronic method for obtaining and combining network elements, or a comparable substitute, appears essential for mass market competition. Because of the importance of exploring and developing software methods for competitors to obtain and combine unbundled network elements, the recent change proposal should not be rejected out of hand. Particularly for those customers--a growing group--served through IDLC technology, a reversion to a manual technology is inadvisable.

Finally, AT&T suggests Bell Atlantic-New York pursue regulatory cost recovery mechanisms for indemnification for the costs of development of recent change. There is no basis for passing these costs on to Bell Atlantic-New York's retail customers; they should be borne, at least in part, by the competitors at whose behest and for whose benefit this software will be developed.

4. Proposed Finding

The recent change option is insufficiently developed on this record to require Bell Atlantic-New York immediately to develop it. Because sufficient detail has been offered by AT&T to merit further exploration, however, the recommendation is that parties commence a collaborative exploration of the potential for this software solution to facilitate electronic element combination. Parties are requested to explore such discussions at the projected August 1998 collaborative session.

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[1] Tr. 726.

[2] Tr. 732.

THE TWO-COLLOCATION CENTRAL OFFICES

In its Pre-filing, Bell Atlantic-New York undertook to provide the complete unbundled element platform for the provision of residence and business POTS and ISDN service, subject to time and geographic restrictions. Specifically, the platform will be provided for a duration of 4 years in zone 1, and 6 years in zone 2,[1] except that, in central offices in New York City where two or more competitive LECs are collocated to provide local exchange service through unbundled links at the start of the duration period, the platform will not be available for business customers.[2]

According to the proposed tariff filed by Bell Atlantic-New York on July 23, 1998, if the duration period were to start immediately there would be eleven central offices excluded from the business platform offering. These are: Second Ave., Bridge St., Broad St., East 30th, 37th, and 56th Streets, West 18th, 36th, 42nd, and 50th Streets, and West Street.[3] While Bell Atlantic-New York's proposed methods for combining elements will clearly not be sufficient for competitors to provide service statewide, the provision of the platform in all but this limited number of offices gives competitors a viable market entry strategy. For the limited number of offices in which the platform will not be available for service to business customers, Bell Atlantic-New York's methods for combining elements will likely be sufficient for those carriers not already collocated in the affected offices. However, before Bell Atlantic-New York can be found to meet the practical and legal ability standard, it

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[1] Zone definitions are as established by the Commission in Cases 94-C-0095, 95-C-0657, and 91-C-1174.

[2] The duration periods start with the availability of certain operations support system upgrades to the satisfaction of the Commission.

[3] New York Telephone Company P.S.C. No. 916, Section 5, Appendix B, Original Page 1.

should demonstrate that the main distribution frames in each of the offices in which the platform will not be offered have sufficient capacity, or can be expanded in a timely manner, to handle reasonably foreseeable volumes of cross-connects. Bell Atlantic should also provide the Commission and the parties to this proceeding the specifications as to space constraints in each of those offices, and guarantees that there is sufficient space available for an acceptable range of recombination options.

CONCLUSION

These proposed findings of fact are based on an examination of the technologies, terms, and conditions of specific methods currently offered for obtaining and combining unbundled network elements. On balance, this record indicates that Bell Atlantic-New York's menu of options alone is unacceptable to support combination of elements to serve residential and business customers on a mass market basis, absent the provision of the platform or some comparably ubiquitous, timely, and economical method of element combination.

The recommendation is that Bell Atlantic-New York should be considered in compliance with the requirements of the Pre-filing that it demonstrate that competing carriers will have reasonable and nondiscriminatory access to unbundled elements in a manner that provides them the practical and legal ability to combine unbundled network elements based upon the following: (1) its provision of its offered forms of recombination; (2) the provision of the unbundled network element platform under the terms and conditions established in the Pre-filing or of a comparably ubiquitous, timely, and economical method of combination; and (3) upon resolution by this Commission of issues related to the provision of enhanced extended link.

Accordingly, upon compliance with these conditions, upon final review by this Commission of Bell Atlantic-New York's

July 23, 1998 tariff filing, Bell Atlantic-New York may be relieved of its obligation to provide its current ubiquitous offering of the platform.

August 4, 1998

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION REGARDING COMPLIANCE OF THE STATEMENT OF GENERALLY AVAILABLE TERMS OF BELLSOUTH TELECOMMUNICATIONS, INC. WITH SECTION 251 AND SECTION 252(D) OF THE TELECOMMUNICATIONS ACT OF 1996	)	CASE NO. 98-348

O R D E R

On June 22, 1998, BellSouth Telecommunications, Inc. ("BellSouth") filed its updated Statement of Generally Available Terms ("SGAT"), with supporting documents, together with a request that the SGAT be approved by this Commission. By Order dated July 6, 1998, the Commission established this case to determine, pursuant to the Telecommunications Act of 1996, Pub. L. 104-104, 110 Stat. 56 (1996) (the "Act"), at 47 U.S.C., § 252(f), whether the SGAT meets the requirements of 47 U.S.C., § 251 and 252(d) and relevant requirements of state law. The parties to Case No. 96-608[1] were also made parties to this proceeding and were invited to submit comments on the SGAT. Comments have been filed by e.spire Communications, Inc. ("e.spire"), MCI Telecommunications Corporation and MCImetro Access Transmission Services, Inc. (collectively, "MCI"), Sprint Communications Company, L.P. ("Sprint"), AT&T

[1] Case No. 96-608, Investigation Concerning the Propriety of Provision of InterLATA Services by BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Communications of the South Central States, Inc. ("AT&T"), and the Competitive Telecommunications Association ("CompTel"). BellSouth has filed a response to those comments. The issue of whether BellSouth's SGAT complies fully with applicable law is ripe for Commission decision.

As an introductory matter, the Commission reiterates that matters relevant to Case No. 96-608, including BellSouth's actual dealings with its competitors and its technical ability to furnish nondiscriminatory access to necessary operating systems, are not at issue here. Accordingly, comments filed by the parties which discuss these issues will not be addressed herein. The sole focus of this proceeding is to determine the legal sufficiency of the SGAT as an adequate vehicle for competitive entry.

The SGAT purports to furnish legally sufficient terms regarding, inter alia, number portability, reciprocal compensation, unbundled access, collocation, rates for interconnection, transport and termination of traffic, unbundled network elements ("UNEs"), and resale of BellSouth services by competitive local exchange carriers ("CLECs"). Commenters dispute the legal sufficiency of several of these provisions. The Commission's findings regarding the relevant issues are as follows.

Operations Support Systems

Section 251(c)(2) requires BellSouth to provide interconnection and access that is at least equal in quality to that provided by BellSouth to itself. Commenters argue that the lack of clearly defined performance measurements in the SGAT render the SGAT provisions in this area inadequate. They also raise a number of issues relating to whether BellSouth can, in practice, provide nondiscriminatory access. However, performance measurements are not, in themselves, required by Section 251.

Moreover, the actual ability of BellSouth to deliver what it promises in its SGAT is not at issue. The SGAT offers electronic interfaces for pre-service ordering, service ordering and provisioning, trouble reporting, and customer usage data, as well as the option of placing orders manually.[2] Current systems will be updated as needed to improve operations, and CLECs choosing the SGAT will be kept informed of updates and given the option to migrate with BellSouth.[3] The provision for updating these systems ensures that CLECs electing to provide service pursuant to the SGAT will be able to receive the benefits of improvements as they are made. The Commission finds no legal infirmity in the terms offered in the SGAT, and finds that performance issues pursuant to those terms are not ripe for decision. Performance measurements may very well be necessary to determine whether BellSouth's performance in actually providing nondiscriminatory access is sufficient to enable it to enter the interLATA market. However, that issue will be addressed in Case No. 96-608.

Resale

The Act prohibits BellSouth from imposing "unreasonable or discriminatory conditions or limitations on, the resale of its telecommunications services." Once again, several commenters discuss performance issues rather than contract terms offered in the SGAT. These issues are irrelevant here. AT&T points out that the joint marketing restriction in the SGAT, at Section XIV(E) does not contain a sunset provision stating that the restrictions no longer apply when BellSouth is authorized to provide in-region, interLATA services or on February 8, 1999, whichever is earlier. Such a sunset

[2] SGAT at II.B.5 and 6.

[3] SGAT at II B 6(f).

provision should be included pursuant to applicable law. Otherwise, except as specified elsewhere in this Order, SGAT terms regarding resale appear to be legally sufficient.

Customer Migration Issues

MCI complains that BellSouth inappropriately may require of the CLEC, at BellSouth's discretion, "proof" of authorization to migrate a customer. MCI accurately characterizes the section that contains this provision, XIV.G, as inappropriately vague. Accordingly, BellSouth shall clarify its SGAT to make it clear that BellSouth will not take upon itself the responsibility of determining whether one of its customers has, indeed, elected another local exchange carrier. Fraudulent carrier change orders will be handled by this Commission pursuant to HB 582 (eff. July 15, 1998), to be codified at KRS Chapter 278. The Commission notes that this statute requires the carrier that initiated the change, and not the customer's previous local exchange carrier, to retain proof that the change was actually requested.

MCI also points out that the SGAT charge to a local service provider for initiating an unauthorized carrier change is $19.41, see Section XIV.H, plus the appropriate nonrecurring charge to reestablish the customer's service with his preferred provider. The SGAT does not explain how BellSouth determines whether "slamming" actually has occurred. Moreover, such a finding should be made, in any event, by this Commission rather than by BellSouth. Reestablishing a customer's service with his preferred carrier will involve a cost, and the SGAT's provision passing that cost on to the carrier initiating the change is appropriate. However, there is no reason why BellSouth should collect an additional $19.41 in the absence of adequate cost justification. Alleged slamming violations should be reported to this Commission for resolution.

MCI correctly states that BellSouth should include in its SGAT a provision that a new CLEC customer may choose to migrate his directory listing as-is from BellSouth to his new carrier. BellSouth contends that the CLEC should provide the listing to BellSouth. However, ease of customer migration is crucial to development of local exchange competition, and BellSouth offers no reason why it should not provide "as-is" listings. BellSouth shall reform its SGAT to include such a provision.

Termination of Service and Notification of Network Changes

MCI contends that SGAT Section XIV.R is one-sided in that it contains no dispute resolution clause and only vaguely explains the reasons BellSouth may terminate service to a CLEC. As BellSouth notes, the Commission's complaint process is available pursuant to KRS 278.260. MCI also fears the section is so vague that a CLEC could have its service cut off at any time, even if it believes in good faith it is complying with the parties' agreement and with applicable rules. MCI demands that BellSouth clarify reasons for which it will terminate service and provide timely notification of termination or network changes. BellSouth says that it will provide "reasonable" notice, that the SGAT is sufficiently specific, and that the law requires nothing more. The Commission finds that prior notice of pending termination and network changes, together with available Commission complaint procedures, are sufficient protection for CLECs.

Reciprocal Compensation

Section 252(d)(2) of the Act defines just and reasonable reciprocal compensation to mean a reasonable approximation of the costs of terminating calls that originate on the network of the other carrier. Recovery of these costs must be mutual and

reciprocal. Id. Numerous commenters argue that internet service provider traffic must be explicitly defined in the SGAT as "local" traffic for which reciprocal compensation must be paid. However, the terms of the SGAT, at I(A), adequately define "local traffic" to include telephone calls that originate in one exchange and terminate in the same exchange or in a corresponding extended area service exchange. The issue of whether internet service provider traffic is local is before the Commission in Case No. 98-212[4] and will be decided therein. The terms of the SGAT are silent on this specific issue and, regardless of the Commission's eventual decision in Case No. 98-212, those terms are adequate.

Switched Access and Billing Issues

Commenters argue that terminating access should be at the CLEC's tariffed rate rather than BellSouth's rate if termination is to a CLEC customer; and commenters contend the SGAT must include a provision that CLECs will be provided with access daily usage files to enable them to bill access charges. BellSouth states it will clarify the SGAT to provide that the access daily usage files will be provided. The Commission finds that the proposed clarification should be made. The Commission also finds that terminating access charges should be at the CLEC rate if the call terminates to a CLEC customer. BellSouth shall revise its SGAT accordingly.

[4] Case No. 98-212, American Communications Services of Louisville, Inc., d/b/a e.spire Communications, Inc. and American Communications Services of Lexington, Inc., d/b/a e.spire Communications, Inc. and ALEC, Inc., Complainants v. BellSouth Telecommunications, Inc., Defendant.

Audits

Commenters contend that BellSouth's provision enabling it to perform resale audits of CLECs at its discretion is intrusive. However, BellSouth should be authorized to audit annually the services provided to CLECs to test conformity to the SGAT or its tariff. Other audit provisions are also included in the SGAT. Commenters contend these provisions are discriminatory since no reciprocal provision exists. The Commission agrees. The SGAT shall include reciprocal provisions for audit. Parties may bring disputes to the Commission's attention.

Access to Unbundled Network Elements

The SGAT, at Section II(G)(1), specifies that UNEs may be combined by means of collocation only. Numerous commenters discuss this provision of the SGAT, and correctly point out that the Act, at Section 251(c)(3) requires ILECs to provide nondiscriminatory access to UNEs "at any technically feasible point" and "in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications services," and they object to BellSouth's unwarranted limitation of methods of combination to collocation alone, particularly since the Eighth Circuit Court of Appeals, Iowa Utilities, held that a CLEC is not required to own a portion of a telecommunications network before it may provide service by means of unbundled elements. In addition, the Federal Communications Commission has determined that "nondiscriminatory access " requires an ILEC to provide access that is "at least equal in quality to that which the incumbent LEC provides to itself."[5] The Commission finds that the requirement that a CLEC may combine UNEs only by means of collocation is both discriminatory and unwarranted. The provision violates the Act and must be reformed.

[5] Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, First Report and Order, 11 FCC Rcd 15499, 15658, ¶ 312, vacated in part on other grounds, Iowa Utilities Board v. FCC, 120 F.3d 753 (8th Cir. 1997), cert. granted, ____ S. Ct. ___ (199__).

The commenters also point out that BellSouth's refusal to provide other CLECs with UNE combinations through the SGAT, while allowing AT&T and MCI to obtain them through their negotiated and arbitrated interconnection agreements, is discriminatory and therefore violates the Act. The Commission agrees. BellSouth must provide service to CLECs without discriminating among them.

Commenters also contend that the SGAT method of providing multiple UNEs to competitors violates the Act in that it is anticompetitive and discriminatory, resulting in a failure of BellSouth to provide service to CLECs at parity with service provided to itself. BellSouth, they claim, uses the "recent change" capability in its system to electronically separate and reconfigure UNEs. BellSouth states the "recent change" capability does not reconfigure UNEs, but can only disable and then re-start service. However, when no "reconfiguration" has been requested by a CLEC, there appears to be no reason the "recent change" capability cannot be used to provide UNEs to CLECs. Appropriate, one-time, cost-based compensation may be required by BellSouth for performing this procedure.

The SGAT provides that physical separation of UNEs that were previously combined by BellSouth will occur when they are ordered by a CLEC, even though those elements are currently combined. This provision is unacceptable. Such separation and subsequent recombination would serve no public purpose and would increase costs that ultimately would be passed on to the consumer. Simply put, it is an unnecessary disruption and as several commenters point out, would necessarily result in provision of inferior service to the CLEC's customers. For such an operation to take place, the customer's line must unnecessarily be taken out of service. In addition, the CLEC

would incur entirely unnecessary expense and loss of customer goodwill. While BellSouth may charge a reasonable, non-recurring, cost-based "glue charge" for its expertise in having combined the UNEs, thus receiving some increment above the total cost of the unbundled elements bought by the CLEC, the Commission finds that neither BellSouth nor any other ILEC shall indulge in the wasteful habit of physically separating UNEs for no other apparent reason than to disrupt migration of a customer to the services of another carrier.

BellSouth contends that the Eighth Circuit Court of Appeals in Iowa Utilities Board v. FCC, 120 F.3d 753 (8th Cir. 1997), cert. granted sub nom AT&T Corp. v. _____, ___ S. Ct. ___ (199___) determined that ILECs are not required by the Act to "combine" UNEs for CLECs. It also states that this Commission has never ordered it to "do the combining of UNEs" [BellSouth Response at 40]. Technically, BellSouth is correct. As the Eighth Circuit Court of Appeals noted, "the Act does not require the incumbent LECs to do all of the work." Id. at 813 (emphasis supplied). But failure to order BellSouth to "combine" UNEs at a CLEC's demand is a far cry from stating that BellSouth may deliberately *disconnect* UNEs that are already combined. To clarify: this Commission has not, and does not, order BellSouth affirmatively to combine UNEs for a CLEC. It does, however, order BellSouth to refrain from unnecessarily dismantling its network when elements of that network that are already combined have been ordered in that same combination by a CLEC. Even if the Act permits such anticompetitive conduct, this Commission has the authority, indeed the duty, pursuant to state law to forbid it. See, e.g., KRS 278.280 (enabling the Commission to determine the "just" and "reasonable . . . practices . . . to be observed, furnished, constructed, enforced or

employed" by a utility and to "fix the same by its order, rule or regulation"); KRS 278.512 (enabling the Commission to regulate telecommunications competition in Kentucky in the public interest) 47 U.S.C., § 252(f)(2)(a state commission in reviewing the SGAT may establish or enforce state law, including service quality standards).

UNE Prices

Commenters argue that UNE rates in the SGAT are not properly set and do not comply with the Act. However, as this Commission previously has stated, the rates it has set comply with the Act, and UNE ratesetting is clearly jurisdictional to state commissions. 47 U.S.C. 252; Iowa Utilities. Accordingly, since the SGAT rates are based upon Commission determinations and upon other standards deemed appropriate by this Commission, they are in compliance with law.

Conclusion

The Commission finds that, absent the amendments prescribed in this Order, the SGAT does not conform to applicable law. However, BellSouth may submit a reformed SGAT in accordance with this Order. If such a reformed SGAT is submitted, it shall be reviewed for compliance with the requirements stated herein and, if found to be in compliance, it shall be approved.

The Commission having considered BellSouth's SGAT and comments thereto, and having been otherwise sufficiently advised, HEREBY ORDERS that, absent the amendments prescribed herein, the SGAT shall not be approved. However, if BellSouth submits a revised SGAT which is in accordance with this Order, it shall be approved.

Done at Frankfort, Kentucky, this 21st day of August, 1998.

By the Commission

ATTEST:

Executive Director